

CORPORATION

Georgia Income Tax

Forms for 2003

and General Instructions



FROM THE COMMISSIONER

This booklet is designed to provide information and assist corporations in filing their Georgia corporate tax returns. On Page 2 is a "New Information" section that I recommend you review to determine if the changes affect your return.

This booklet contains the forms and schedules required by most corporations. If you need additional forms or copies of forms, we encourage you to visit our web site at www.gatax.org. There you can download forms and always obtain up-to-date tax information and news from the Department of Revenue. Forms are also available via fax-on-demand at 404-417-6011. A listing of useful telephone numbers is on Page 14.

Our mission and commitment is to serve Georgia's taxpayers in a prompt, courteous and professional manner and to effectively and fairly administer the State's tax laws. We welcome your comments and suggestions on how to more effectively accomplish this mission.

Bart L. Graham
Commissioner

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NEW INFORMATION

Federal Tax Changes

Job Creation and Worker Assistance Act of 2002. Georgia has adopted the provisions of this act (as they relate to the computation of Federal adjusted gross income and Federal taxable income) for taxable years beginning on or after January 1, 2003, except I.R.C. Section 168(k) (30% bonus depreciation) and Section 1400L (tax benefits for the New York Liberty Zone) are treated as if they are not in effect.

The change in the net operating loss carry-back period to five years included in this act only applied to taxable years ending in 2001 and 2002; therefore, it is not applicable to taxable years beginning on or after January 1, 2003. For tax years beginning before January 1, 2003, Georgia did not adopt the five year carry-back and continued to use the two year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law.

Jobs and Growth Tax Relief Reconciliation Act of 2003.

Georgia has not adopted any of the provisions of this act. Some of the changes in this act include the increase of special first-year bonus depreciation to 50%, increase in Section 179 depreciation to \$100,000, and a delay in making corporate estimated tax payments for September. As is stated above, Georgia has not adopted any of these provisions.

Depreciation Differences. Depreciation differences due to the 2002 and 2003 Federal acts mentioned above should be handled in the following manner. If the taxpayer has depreciation differences that are attributable to both the 2002 and 2003 Federal acts, it is not necessary to make a separate adjustment for each act.

A. Depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the 2003 IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 4, Line 5 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment".

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use the Georgia Form 4562 to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 5, Line 2 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment". Georgia Form 4562 and the related instructions can be obtained from our website at www.gatax.org or from any Revenue Office.

Additionally, any depreciation differences will affect the calculation of gain when the property is sold.

2003 Legislation

The following bills that relate to corporations were passed by the 2003 Georgia Legislature:

State and Local Tax Revision Act of 2003 - House Bill 43 (O.C.G.A. §§48-1-2, 48-2-32, 48-7-27, 48-7-40.16, 48-7-40.17, 48-7-40.24, 48-7-40.25, and 48-7-103) The corporate income tax provisions of this bill are as follows:

Section 2 – Annual Update Provision. The amendment to O.C.G.A. §48-1-2 is the annual update to follow the IRC as it exists on January 1, 2003. This update includes all applicable provisions of Federal tax legislation signed into law during 2002 (as they relate to the computation of Federal adjusted gross income and Federal taxable income), except I.R.C. Section 168(k) (30% bonus depreciation) and Section 1400L (tax benefits for the New York Liberty Zone) are treated as if they are not in effect. This section of the bill is applicable to taxable years beginning on or after January 1, 2003.

Section 3 – Remittance of Withholding Taxes via Electronic Funds Transfer. The amendment to O.C.G.A. §48-7-32 requires employers who withhold taxes in excess of \$50,000 for the lookback period to remit the taxes required to be withheld via electronic funds transfer in a similar fashion as Federal requirements. Pursuant to Section 9 of this bill, the "lookback period" for each calendar year is defined as the 12-month period that ended the preceding June 30. This section of the bill requires the addition of a third type of withholding tax schedule termed semi-weekly. Semi-weekly payers are required to remit withholding taxes via electronic funds transfer depending upon the day of the week the payday occurs. If the payday occurs on Wednesday, Thursday, or Friday the employer must remit the taxes required to be withheld via electronic funds transfer on the following Wednesday. If the payday occurs on Saturday, Sunday, Monday, or Tuesday the employer must remit the taxes required to be withheld via electronic funds transfer on the following Friday. A "one-day rule" has also been added to the withholding tax remittance requirements. Once an employer's taxes required to be withheld exceed \$100,000 for the payday, the taxes must be remitted via electronic funds transfer the following banking day. This section of the bill is applicable to all calendar quarters beginning on or after April 1, 2004.

Section 6 – Low Emission Vehicle Credit. This bill adjusts the amount of the low-emission and zero-emission vehicle tax credits as follows:

1. Previously a low-emission vehicle was allowed a credit of \$2,500. Now a credit of the lesser of 10% of the cost of the vehicle or \$2,500 is allowed.
2. Previously a zero-emission vehicle was allowed a credit of \$5,000. Now a credit of the lesser of 20% of the cost of the vehicle or \$5,000 is allowed.
3. Previously a credit up to \$2,500 was allowed for the conversion of a vehicle. Now the credit allowed is 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle.

NEW INFORMATION (continued)

4. Previously a business enterprise was eligible for a credit of \$2,500 for the purchase of an electric vehicle charger. Now the credit allowed is the lesser of 10% of the cost of the charger or \$2,500. This section of the bill is applicable to all taxable years beginning on or after January 1, 2003.

Section 7 – Headquarters Credit. This bill lowers the criteria to qualify for Georgia's Headquarters Tax Credit. It changes the required number of headquarters employees from 100 to 50. The bill allows the counting of not only the headquarters employees of the taxpayer, but also counts the headquarters employees of the taxpayers' subsidiaries. The credit is \$2,500 per job or \$5,000 per job if the average pay is 200% above the county average wage. The credit is first used to offset any income tax liability. The excess credit can be used to offset employee withholding taxes. Unused tax credits have a 10-year carry forward. This section of the bill is applicable to taxable years beginning on or after January 1, 2003.

Section 8 - Job Tax Withholding Tax Credits. This section enacts new Georgia Code Sections 48-7-40.24 and 48-7-40.25. Each code section provides a credit for manufacturers who meet the requirements.

Georgia Code Section 48-7-40.24 provides a new jobs credit. In order to qualify, \$450 million in qualified investment property must be purchased for the project. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 3,300 jobs. After an affirmative review of their application by a panel, the manufacturer is rewarded with the new job tax credit. The credit is \$5,250 per job created. There is a 10-year carry forward of any unused tax credit.

Georgia Code Section 48-7-40.25 provides an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends \$800 million on a new manufacturing facility in this state. There is also the requirement that the number of full-time employees equal or exceed 1,800. However, these do not have to be new jobs to Georgia. Again, an application is filed which a panel must approve. The benefit awarded to a manufacturer is a credit against taxes equal to 6 percent of the cost of all qualified investment property purchased or acquired. The total credit allowed is limited to \$50 million. The credit offsets any income tax and any excess is allowed as a credit to offset withholding taxes. There is a 15-year carry forward of any unused tax credit. This section of the bill is applicable to taxable years beginning on or after January 1, 2003.

Section 9 – Change in Threshold for Withholding Taxes. This section of the bill adjusts the threshold for employers who remit withholding taxes on a monthly basis. Employers who are required to withhold tax equal to \$50,000 or less for the lookback period are required to

file and remit taxes on the 15th day of the following month. This section further reiterates the semi-weekly requirement for employers who are required to withhold more than \$50,000 for the lookback period and the one-day rule as stated in section 3 of this bill. The "lookback period" for each calendar year is defined as the 12-month period that ended the preceding June 30. No changes were made to the filing and remittance requirements of employers who withhold \$200 or less per quarter. This section of the bill is applicable to all calendar quarters beginning on or after April 1, 2004.

Failure to Pay Estimated Income Tax – House Bill 468 (O.C.G.A. §48-7-120) This bill changes the computation of the addition to tax for the underpayment of estimated tax so that it more closely follows the Federal computation. Previously, if the taxpayer did not meet one of the exceptions to the addition to tax, the addition would be computed based on 70% of the current year's liability even if 100% of the preceding year's liability was a lower amount. Now, as long as the preceding taxable year was 12 months and a tax return was filed for the preceding year, the addition to tax is computed based on the lower of 70% of the current year's liability or 100% of the preceding year's liability. This bill is applicable to taxable years beginning on or after January 1, 2003.

Claim for Refund Filing Date - House Bill 469 (O.C.G.A. §48-2-35) This bill extends the time to file a claim for refund of income taxes. Previously, the time to file a claim for refund was three years from the date of the payment of the income taxes. Administratively, payments received before the due date of the return (excluding extensions) were considered as being paid on the due date of the return (excluding extensions). Now, the time to file a claim for refund for income taxes is three years from the later of the date of the payment of the tax or the due date of the income tax return (including extensions which have been granted). This bill is applicable to taxable years beginning on or after January 1, 2003. Accordingly, claims for refund of taxes paid for taxable years 2002 and prior will continue to be subject to the prior laws.

Claim for Refund – House Bill 504 (O.C.G.A. §48-2-35) The income tax portion of this bill prohibits the filing of a refund claim on behalf of a class of taxpayers who are similarly situated or a lawsuit with respect to a refund claim on behalf of a class of taxpayers who are similarly situated. This bill applies to all claims for refunds filed or actions for refunds brought pursuant to Code Section 48-2-35 before, on, or after the effective date.

Housing Tax Credits - House Bill 537 (O.C.G.A. §33-1-18) This bill corrects a typographical error in previous legislation which added insurance companies to those eligible to use the Georgia low income housing tax credit. The previous language indicates that the credits were useful to offset "income tax" when in reality the insurance premium tax was what it offset. This change corrects this. This bill became effective on May 30, 2003.

NEW INFORMATION (continued)

Augmentation of Commissioner's Powers – House Bill 556 (O.C.G.A. §§48-3-29, 48-2-54.1, 48-7-56, and 48-7-80) This bill provides the commissioner with the authority to publish in the media or on the Internet for public access any or all information with respect to executions issued for the collection of any tax, fee, license, penalty, interest, or collection costs due the state which are recorded on the public records of any county. Section 2 of this bill grants the commissioner with the authority to charge the taxpayer's account with the costs or fees charged to the State by the United States Treasury Financial Management System for offsetting Federal refund claims against any tax liability due to the State by the taxpayer. This bill became effective on June 2, 2003.

CONSOLIDATED RETURNS

In 2002, the Department of Revenue adopted regulation 560-7-3-.13 Consolidated Returns. This regulation is effective for tax years beginning on or after January 1, 2002. The regulation substantially changes the rules for filing consolidated returns.

Visit our webpage at www.gatax.org and click the Income Tax Division link for more information.

CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to be owning property or doing business in Georgia whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia. This treatment of corporate partners is set forth in regulations 560-7-7-.03, 560-7-3-.08, and 560-7-8-.34 which were amended in 2001. The amended regulations apply to taxable years beginning on or after January 1, 2002.

FREQUENTLY ASKED QUESTIONS

Frequently asked questions regarding corporations, S corporations, partnerships, LLC's, and nonresident withholding are available on our website at www.gatax.org/departments/dor/inctax/webfaq/faq-corp.shtml#genlquest.

INCOME TAX

INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. The instructions for the net worth tax begin on Page 7.

Both taxes must be paid annually. Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, and the credits for prepayment, resulting in a single balance due or overpayment.

FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia income tax return. Please round all dollar entries. A corporation electing to file under the Internal Revenue Code provisions for S corporations having one or more stockholders who are nonresidents of Georgia must file consent Form 600 S-CA on behalf of each nonresident. Failure to furnish a properly executed Form 600 S-CA for each nonresident stockholder negates Georgia's recognition of the election, requiring each corporation to file on Form 600 and pay the regular corporate tax.

NOTE: If you use a software program or if you do not need a booklet next year, fill in the circle on the upper left corner of the form.

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397. Taxpayers claiming credits on Schedules 9 and/or 10 should mail their returns to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

EXTENSION OF TIME

If a taxpayer receives from the Internal Revenue Service an extension of time within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. See Page 11 for additional information.

A reasonable extension of time for filing may be granted by the commissioner upon application on Form IT-303. It must be filed prior to the date the return is due. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return.

LATE PAYMENT PENALTY

A taxpayer having a Federal extension must also prepay the Georgia tax accompanying such remittance with Form IT-560C. Credit for such prepayment should be claimed on Form 600, Schedule 3, Line 2. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return.

PENALTIES AND INTEREST

The Georgia Code imposes certain penalties, which must be assessed as follows:

Delinquent filing of return—5% of the tax shown on the return for each month or fractional part thereof—up to 25%.

Failure to pay tax shown on a return by the due date—1/2 of 1% of the tax due for each month or fractional part thereof—up to 25%.

Other penalties are also provided, as follows:

Negligent underpayment of tax—5% thereof.

Fraudulent underpayment—50% thereof.

INCOME TAX (continued)

Note: The combined total of the penalty for delinquent filing of a return and failure to pay tax shown on a return cannot exceed 25% of the tax as shown on the return.

Interest accrues at the rate of 12% per year from the due date for payment to the date paid. An extension of time for filing does not alter the interest charge or the penalty for late payment of tax.

COMPUTATION OF INCOME TAX

Georgia income tax is 6% of the Georgia taxable income shown on Schedule 1, Line 7. The amount of tax must be entered on Schedule 1, Line 8, and on Schedule 3, Line 1A.

RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects (**see information on Page 2 about federal tax changes**). The taxable income shown on the Federal return is the basis of the Georgia taxable income, with only a few adjustments outlined in the following section. The accounting period and method for the Georgia return must be the same as the Federal. The Federal principles pertaining to execution of the return by an officer and the preparer apply to Georgia returns. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If two or more corporations file Federal income tax returns on a consolidated basis and all such corporations derive all of their income from sources within Georgia, the corporations must file a consolidated return for Georgia income tax purposes. However, a separate net worth tax return must be filed by each subsidiary. The Parent Corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

Affiliated corporations which file a consolidated Federal income tax return, but derive income from sources outside this State, must file separate income tax returns with Georgia unless they have prior approval or have been requested to file a consolidated return by the Commissioner of Revenue. Visit www.gatax.org/departments/dor/inctax/index.shtml for more information.

When a taxpayer entitled to a carry-back period for a net operating loss elects under I.R.C. Section 172(b)(3)(c) to forego the entire carry-back period and carry-forward only, such election is binding on the Georgia return.

If a federal audit results in a change in taxable income, the taxpayer shall make a return to the commissioner of the changed or corrected net income within 180 days of final determination. Mail the return to: Georgia Income Tax Division, P. O. Box 49432, Atlanta, GA 30359-1432.

ADJUSTMENTS TO FEDERAL INCOME

The Federal taxable income is the basis of computation of Georgia taxable income. Lines 2 and 4 of Schedule 1 are provided for the modifications required by Georgia Law. The total of additions to Federal income should be shown on

Schedule 1, Line 2 and listed in Schedule 4. The total of subtractions from Federal income should be shown on Schedule 1, Line 4 and listed in Schedule 5. The more commonly used items are listed in each of these schedules. **Additionally, adjustments due to federal tax changes should be reported as stated on Page 2.**

A corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the commissioner of Administrative Services for the Revenue Department and general public. (To register as a minority subcontractor or to view the list, call 404-656-6315 or visit the DOAS website at www3.state.ga.us/departments/doas/pu/pummnr.html.)

If you claim a net operating loss deduction, you must file a complete statement as to the sources of such deduction. (Attach a schedule.)

Corporations doing business both within and without Georgia incurring a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. Such deduction shall be entered on Schedule 7, Line 8.

A net operating loss sustained for the current taxable year must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2003, and as adopted by Section 48-7-21 of the income tax laws of Georgia. Accordingly, for tax years beginning on or after January 1, 2003, losses should be carried back two years (with special rules for farmers and casualty losses). For tax years beginning before January 1, 2003, Georgia did not adopt the five year carry-back and continued to use the two year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law.

Georgia Taxes Deductible. There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state **except the State of Georgia**, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted in determining federal taxable income. This includes federal environmental tax.

Where salaries and wages are reduced on the federal return in computing federal taxable income because of a Federal jobs tax credit, the eliminated salary and wage deduction should be listed in Schedule 5 as a subtraction from Federal taxable income.

ALLOCATION AND APPORTIONMENT OF INCOME

If any corporation, domestic or foreign, is doing business both

INCOME TAX (continued)

within and without Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by this law applies to the entire net income as herein defined, received by every corporation, foreign or domestic, owning property or doing business in this State. Every such corporation shall be deemed to be doing business in this State if it engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of doing business within this State; whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived from property owned or business done within the State, and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

THREE FACTOR FORMULA

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost.

Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging, with respect to rented property, is achieved automatically by the method of determining the net annual rental rate of such property.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from products shipped to customers in this State or products delivered within this State to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from customers within this State or if the receipts are otherwise attributable to this State's marketplace.

(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.

(e) Apportionment of Income; Business Joint Venture and Business Partnerships. A corporation, which is involved in a business joint venture, or is a partner in a business partnership, must include its pro rata share of the joint venture or partnership, property, payroll and gross receipts values in its own apportionment formula.

INCOME TAX (continued)

AMENDED RETURNS

Georgia has no special form for filing an amended return. Please check the amended return block on Form 600. A copy of Federal Form 1120X or federal audit adjustments must be attached. Mail the amended return to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397. Amended returns with credits on Schedules 9 and/or 10 should be mailed to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

CLAIMS FOR REFUND

A claim for a refund of tax must be made within three years from the date the tax was paid. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. For tax years beginning on or before December 31, 2002, an extension of time to file the return does not extend the deadline for filing a state claim for refund. (See page 3 for more information.) For example, if payments were made with respect to the 2000 tax year on or before March 15, 2001 (due date of the 2000 tax year), the taxpayer must file any claim for refund of such tax by March 15, 2004. An extension of time to file the 2000 return does not change the March 15, 2004 deadline for filing a claim for refund.

NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

EXTENSION OF TIME

If a taxpayer receives an extension of time from the Internal Revenue Service within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. See Page 11 for additional information.

PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return. Penalty for delinquent filing - 10% of tax due. Penalty for delinquent payment - 10% of tax due. In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 2, using the ratio computed in Schedule 8. In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. This includes all intangible assets as reflected on the federal return such as accounts receivable. The gross receipts factors are determined per the instructions on Page 6. **For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.**

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 8. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation, which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A dormant corporation must file a net worth tax return and pay the tax to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth will pay the minimum tax shown in the table below. **A corporation which has liquidated and is filing its final income tax return is not liable to file a net worth tax return.**

All cooperative marketing associations are required to file a return using either Form 600 or 600S, whichever is applicable. The tax on such corporations is \$10.00 per year.

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return must be filed by each subsidiary. Visit www.gatax.org/departments/dor/inctax/index.shtml for more information.

NET WORTH TAX (continued)

NET TAX DUE OR OVERPAYMENT

Schedule 3 provides for the computation of the net tax due or the net overpayment of the two taxes. Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

FEDERAL SCHEDULE L REQUIREMENT

The Schedule L must be completed on the Georgia copy of the Federal return, if for Federal purposes the Schedule L is not required to be completed because the assets and receipts do not exceed the federal limitation.

TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st through the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

EXAMPLE: Corporation A files a three month short period return ending March 31, 2003. The Georgia taxable net worth per the March 31, 2003, balance sheet is \$90,000. The Georgia net worth tax is computed as follows: Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

NET WORTH TAX TABLE

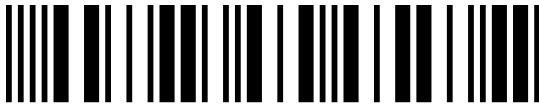
DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus (Schedule 2, Line 4).

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus employed within Georgia (Schedule 2, Line 6).

Not exceeding	\$ 10,000.00			10.00
Over	10,000.00	and not exceeding	25,000.00	20.00
Over	25,000.00	and not exceeding	40,000.00	40.00
Over	40,000.00	and not exceeding	60,000.00	60.00
Over	60,000.00	and not exceeding	80,000.00	75.00
Over	80,000.00	and not exceeding	100,000.00	100.00
Over	100,000.00	and not exceeding	150,000.00	125.00
Over	150,000.00	and not exceeding	200,000.00	150.00
Over	200,000.00	and not exceeding	300,000.00	200.00
Over	300,000.00	and not exceeding	500,000.00	250.00
Over	500,000.00	and not exceeding	750,000.00	300.00
Over	750,000.00	and not exceeding	1,000,000.00	500.00
Over	1,000,000.00	and not exceeding	2,000,000.00	750.00
Over	2,000,000.00	and not exceeding	4,000,000.00	1,000.00
Over	4,000,000.00	and not exceeding	6,000,000.00	1,250.00
Over	6,000,000.00	and not exceeding	8,000,000.00	1,500.00
Over	8,000,000.00	and not exceeding	10,000,000.00	1,750.00
Over	10,000,000.00	and not exceeding	12,000,000.00	2,000.00
Over	12,000,000.00	and not exceeding	14,000,000.00	2,500.00
Over	14,000,000.00	and not exceeding	16,000,000.00	3,000.00
Over	16,000,000.00	and not exceeding	18,000,000.00	3,500.00
Over	18,000,000.00	and not exceeding	20,000,000.00	4,000.00
Over	20,000,000.00	and not exceeding	22,000,000.00	4,500.00
Over	22,000,000.00	5,000.00



0401404013

Georgia Form 600 (Rev. 06/03)

Corporation Tax Return

Georgia Department of Revenue (Approved web version)

☐ Fill in circle if you DO NOT want a booklet next year**2003** Income Tax ReturnBeginning _____
Ending _____**2004** Net Worth Tax ReturnBeginning _____
Ending _____Consolidated Return
Original Return
New CorporationInitial Net Worth
Amended ReturnAddress Change
Name ChangeExtension
Final

A. Federal Employer I.D. Number	Name (Corporate title) Please give former name if applicable.	E. Date of Incorporation
B. GA. Withholding Tax Account Number	Business Address (Number and Street)	F. Incorporated under laws of what state
C. GA. Sales Tax Registration Number	City or Town County State Zip Code No.	G. Date admitted into GA
D. NAICS Code	Location of Books for Audit (city & state) Telephone Number	H. Kind of Business

Indicate latest taxable year adjusted by IRS ► _____ And when reported to Georgia ► _____

COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX

(ROUND TO NEAREST DOLLAR)

SCHEDULE 1

1. Federal taxable income (Copy of Federal return and supporting schedules must be attached)	1.	
2. Additions to Federal income (from Schedule 4)	2.	
3. Total (add Lines 1 and 2)	3.	
4. Subtractions from Federal income (from Schedule 5)	4.	
5. Balance (Line 3 less Line 4)	5.	
6. Georgia net operating loss deduction (Attach Schedule)	6.	
7. Georgia taxable income (Line 5 less Line 6 or Schedule 7, Line 9)	7.	
8. Income Tax - (6% x Line 7)	8.	

COMPUTATION OF NET WORTH TAX

(ROUND TO NEAREST DOLLAR)

SCHEDULE 2

1. Total Capital stock issued	1.	
2. Paid in or capital surplus	2.	
3. Total retained earnings	3.	
4. Net worth (Total of Lines 1, 2, and 3)	4.	
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Line 4, Sch.8)	5.	
6. Net worth taxable by Georgia (Line 4 x Line 5)	6.	
7. Net worth tax (From table in instructions)	7.	

COMPUTATION OF TAX DUE OR OVERPAYMENT

(ROUND TO NEAREST DOLLAR)

SCHEDULE 3

	A. Income Tax	B. Net Worth Tax	C. Total
1. Total Tax (Schedule 1, Line 8, and Schedule 2, Line 7)			1.
2. Less Credits and payments of estimated tax			2.
3. Less Credits from Schedule 9, Line 6			3.
4. Withholding Credits (G2-A and/or G-2RP)			4.
5. Balance of tax due (Line 1, less Lines 2, 3, and 4) ..			5.
6. Amount of overpayment (Lines 2, 3, and 4 less Line 1)			6.
7. Interest due (See Instructions)			7.
8. Penalties due (See Instructions)			8.
9. Balance of Tax, Interest and Penalties due with return			9.
10. Amount of Line 6 to be credited to 2004 estimated tax		Refunded	

ADDITIONS TO FEDERAL INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 4

1. State and municipal bond interest (other than Georgia or political subdivision thereof)	1.	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia	2.	
3. Expense attributable to tax exempt income	3.	
4. Net Operating loss deducted on Federal return	4.	
5. Other Additions	5.	
TOTAL - Enter also on LINE 2, SCHEDULE 1		

SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 5

1. Interest on obligations of United States	1.	
2. Other Subtractions	2.	
TOTAL - Enter also on LINE 4, SCHEDULE 1		

APPORTIONMENT OF INCOME**SCHEDULE 6**

(Part 1)	WITHIN GEORGIA		TOTAL EVERYWHERE	
	A. Beginning of Year	B. End of Year	A. Beginning of Year	B. End of Year
1. Inventories				
2. Buildings (cost)				
3. Machinery & Equipment				
4. Land				
5. Other Tangible Assets ..				
6. Total (Lines 1 through 5)				
7. Average (Add columns A & B and divide by 2)				
8. Rented Property (Annual Rate x 8)				
9. Total Property				

(Part 2)	A. Within Georgia	B. Everywhere (If this figure is 0 see instructions on page 6)	C. Do not round Col (A)/Col (B) Compute to six decimals	D. Do not round Georgia Factor Compute to six decimals
1. Total Property (Part 1 Line 9)				x0.25
2. Salaries, commissions, wages & compensation				x0.25
3. Gross receipts from business				x0.50
4. Georgia ratio (Total Column D)				

COMPUTATION OF GEORGIA NET INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 7

1. Net business income (Schedule 1, Line 5)	1.	
2. Income allocated everywhere (Attach Schedule)	2.	
3. Business income subject to apportionment (Line 1 less Line 2)	3.	
4. Georgia Ratio (Schedule 6, Line 4, Part 2)	4.	
5. Net business income apportioned to Georgia (Line 3 x Line 4)	5.	
6. Net income allocated to Georgia (Attach Schedule)	6.	
7. Total of Lines 5 and 6	7.	
8. Less net operating loss apportioned to GA. (Attach Schedule)	8.	
9. Georgia taxable income (Enter also on Schedule 1, Line 7)	9.	

COMPUTATION OF GEORGIA NET WORTH RATIO

(TO BE USED BY FOREIGN CORPS ONLY)

SCHEDULE 8

	A. Within Georgia	B. Total Everywhere	C. GA. ratio (A/B)
1. Total value of property owned (Total assets from Federal balance sheet)			
2. Gross receipts from business			
3. Totals (Line 1 plus Line 2)			
4. Georgia Ratio (Divide Line 3A by 3B)			

Copy of the Federal Return and supporting Schedules must be attached, otherwise this return is deemed incomplete. No extension of time for filing will be allowed unless copy of request for Federal extension or Form IT-303 is attached to this return.

Make check payable to: Georgia Income Tax Division **Mail To:** Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397

If claiming credits on Schedules 9 and/or 10, **Mail To:** Georgia Income Tax Division, P.O. Box 49431, Atlanta, Georgia 30359-1431

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

Declaration: I/We declare under the penalties of perjury that I/we have examined this return (including accompanying schedules and statements) and to the best of my/our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER

DATE

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN

TITLE

IDENTIFICATION OR SOCIAL SECURITY NUMBER

CLAIMED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 9

See pages 15 through 18 for a list of available credits and their applicable codes. You must list the appropriate credit type code in the space provided. If you claim more than four credits, attach a schedule. Enter the total of the additional schedule on Line 5.

If the tax credit is flowing into this corporation from another corporation, please enter the name and FEI Number of the corporation where the tax credit originated. If the credit claimed is only a percentage of the total credit (i.e. another corporation has been assigned a percentage, as well), enter the percentage assigned to this corporation in the % column. If the credit originated with the corporation filing this return, enter "Same" in the spaces for corporation and FEIN and enter the percentage of credit claimed (i.e. 100, if claiming all of it; 33, if claiming 1/3).

	Credit Type Code	Corporation Name	FEIN	%		Amount of Credit
1.					1.	
2.					2.	
3.					3.	
4.					4.	

5. Enter the total from attached schedule(s) 5. _____
6. Enter the total of Lines 1 through 5 here and on Schedule 3, Line 3, Page 1 6. _____

ASSIGNED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 10

Georgia Code Section 48-7-42 provides that in lieu of claiming any Georgia income tax credit for which a taxpayer otherwise is eligible for the taxable year, the taxpayer may elect to assign credits in whole or in part to one or more "affiliated entities". The term "affiliated entities" is defined as:

- 1) A corporation that is a member of the taxpayer's affiliated group within the meaning of Section 1504(a) of the Internal Revenue Code; or
- 2) An entity affiliated with a corporation, business, partnership, or limited liability company taxpayer, which entity:
 - (a) Owns or leases the land on which a project is constructed;
 - (b) Provides capital for construction of the project; and
 - (c) Is the grantor or owner under a management agreement with a managing company of the project.

No carryover attributable to the unused portion of any previously claimed or assigned credit may be assigned or reassigned, except if the assignor and the recipient of a tax credit assigned cease to be affiliated entities, any carryover attributable to the unused portion of the credit is transferred back to the assignor of the credit. The assignor is permitted to use any such carryover itself, and also shall be permitted to assign the carryover to one or more affiliated entities, as if such carryover were an income tax credit for which the assignor became eligible in the taxable year in which the carryover was transferred back to the assignor. In the case of any credit that must be claimed in installments in more than one taxable year, the election under this subsection may be made on an annual basis with respect to each such installment. For additional information, please refer to Georgia Code Section 48-7-42.

If the corporation filing this return is assigning tax credits to other affiliates, please provide detail below of where the tax credits are being assigned and what percentage is being allocated to each affiliate.

Credit Type Code	Corporation Name	FEIN	%	Amount of Credit
				\$
				\$
				\$
				\$

GA NOL Carryover Worksheet

(ROUND TO NEAREST DOLLAR)

SCHEDULE 11

For calendar year or fiscal year beginning _____ and ending _____

[illegible]

INSTRUCTIONS

Column 1: List the loss year(s).

Column 2: List the loss amount for the tax year listed in Column 1.

Columns 3 & 4: List the years in which the losses were utilized and the amount utilized each year.

Column 5: List the balance of the NOL after each year has been applied.

Column 6: List the remaining NOL applicable to each loss year.

Total the remaining NOL (Col. 6) and enter in the space at the bottom of the worksheet for “NOL Carryover Available to Current Year”. Then insert “Current Year Income / (Loss)” in the space provided and compute the “NOL Carryover Available to Next Year” in the last space. Create photocopies as needed. **See example worksheet on page 9.**

GEORGIA NOL CARRYOVER WORKSHEET EXAMPLE

[illegible]

INSTRUCTIONS

Column 1: List the loss year(s).

Column 2: List the loss amount for the tax year listed in Column 1.

Columns 3 & 4: List the years in which the losses were utilized and the amount utilized each year.

Column 5: List the balance of the NOL after each year has been applied.

Column 6: List the remaining NOL applicable to each loss year.

Total the remaining NOL (Col. 6) and enter in the space at the bottom of the worksheet for “NOL Carryover Available to Current Year”. Then insert “Current Year Income / (Loss)” in the space provided and compute the “NOL Carryover Available to Next Year” in the last space. Create photocopies as needed.

IMPORTANT

THIS FORM IS TO BE USED BY **CORPORATE TAXPAYERS** ONLY FOR PAYMENT OF INCOME TAX AND/OR NET WORTH TAX TENTATIVELY DETERMINED TO BE DUE.

INSTRUCTIONS for Form IT-560C

When a taxpayer receives an automatic extension of time in which to file a Federal return, Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the Federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

1. This form is to be used to submit any payment of tax when an extension is requested or in force.
2. The amount paid with this form should be claimed on the completed return as credits and payments.
3. This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return, a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax.
4. The amount paid is to be credited as a payment on the liability that may be due as reflected by the completed return. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

If you have any questions call: (404) 417-2469

Make check payable to: Georgia Income Tax Division (Include FEI Number on check)

Mail the completed IT-560C with remittance to:

Georgia Department of Revenue

P.O. Box 740317

Atlanta, GA 30374-0317

DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment

DO NOT STAPLE, PAPER CLIP. PLEASE REMOVE ALL CHECK STUBS

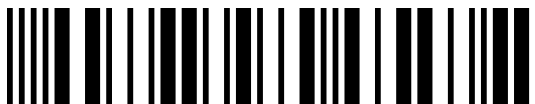
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IT-560 C (rev. 6/03)

FOR CORPORATION

Payment of Income Tax
and/or Net Worth Tax tentatively
determined to be due

2003



0401204013

MAIL TO:

Georgia Department of Revenue
P.O. Box 740317
Atlanta, GA 30374-0317
Telephone No. (404) 417-2469

<input type="checkbox"/> Corporate Income Tax	<input type="checkbox"/> Net Worth Tax	<input type="checkbox"/> New Corporation	<input type="checkbox"/> Address Change	<input type="checkbox"/> Name Change
FEI Number	Income Tax Year (mm/dd/yy)	Vendor Code N/A	Former Name if Applicable	
Current Name (Type or print plainly the exact Corporation Name)		Signature of Officer or Agent	Title	Date
Business Address		City	State	Zip Code

DO NOT STAPLE OR PAPER CLIP. REMOVE ALL CHECK STUBS Amount Paid \$ _____

CORPORATION ESTIMATED TAX INSTRUCTIONS

CORPORATIONS WHICH MUST FILE ESTIMATED TAX.

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

All Corporate income tax must be paid directly to the Income Tax Division. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

The following percentages of estimated tax shall be paid on or before the fifteenth day of the:

	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

NEW ESTIMATED TAX FILERS

If you determine that you are liable to file estimated tax, please mail your initial payment along with Form 602ES. The estimated tax worksheet and Form 602ES are on Page 12. Include your corporate name, address, telephone number, Federal Employer Identification Number, and the taxable year. You will receive a personalized coupon booklet containing Form 602ES to be used for paying the remaining installments. For more information, contact the Corporate Tax Section at 404-417-2469.

Form 602ES shall be delivered or mailed to State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136. Check or money order in payment of tax should be made payable to: "Georgia Income Tax Division." Include Federal Employer Identification Number on check.

ELECTRONIC FUNDS TRANSFER

In accordance with Georgia Law (O.C.G.A. §48-2-32(f)(2)), the Department currently requires corporate estimate taxpayers with quarterly payments of \$10,000 or more to make those payments via electronic funds transfer. You can also voluntarily participate in our electronic funds transfer program. For registration forms and information, visit our website at www.gatax.org or contact the EFT Section at (404) 417-2220, 1-800-659-1855, or via e-mail to doreft@gatax.org.

SHORT TAXABLE YEAR

A separate estimate must be filed where a corporation is required to submit an income tax return for a period of less than twelve months. No estimate need be filed if the taxable year is a short period of less than four months, or if the taxable year is a short period of four or more months and the requirements specified are first met after the first day of the last month in the short taxable year.

Please Note: Corporations that are required to file estimated tax for a short taxable period or whose accounting period has changed should use Form 602ES and change dates to coincide with short period. Mail payment to:

**Georgia Income Tax Division
Department of Revenue
Corporation Estimated Tax
P.O. Box 105136
Atlanta, Georgia 30348-5136
Telephone No. (404) 417-2469**

Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at the rate of 9% per annum for underpayment of estimated tax.

CORPORATION ESTIMATED TAX WORKSHEET

1. Amount of taxable income expected during the current year \$ _____
2. Estimated Tax (6 percent of Line 1) \$ _____
3. Less Credit for 2003 overpayment if credit was elected on Form 600 \$ _____
4. Unpaid balance (Line 2 less Line 3) \$ _____
5. Computation of installment: (check box below and enter amount.) \$ _____

If first payment is ☐ April 15, 2004, enter 1/4 of Line 4 ☐ Sept. 15, 2004, enter 1/2 of Line 4
due to be filed on ☐ June 15, 2004, enter 1/3 of Line 4 ☐ Dec. 15, 2004, enter amount of Line 4

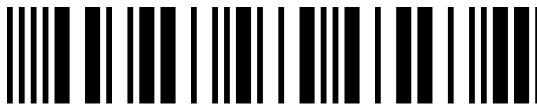
Amount Due \$ _____

Corporations filing on a fiscal year ending after January 1 must file on corresponding dates. See instructions.

**DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment
DO NOT STAPLE OR PAPER CLIP. PLEASE REMOVE ALL CHECK STUBS**

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602-ES (Rev.6/03)
Corporate Estimated Tax



0460204013

MAIL TO:
Georgia Department of Revenue
P.O. Box 105136
Atlanta, GA 30348-5136
Telephone No. (404) 417-2469

2004

or Fiscal Year Beginning 20 Ending 20 ☐ Name Change ☐ Address Change ☐ Tax Year Change

FEI Number	Tax Year	Year Ending	Due Date	Payment #	Vendor Code N/A
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BUSINESS NAME AND ADDRESS

I declare under the penalties of perjury that this information has been examined by me and to best of my knowledge and belief is true and correct. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States free of any expense to the State of Georgia.

Signature

Title

Telephone

Date

DO NOT STAPLE OR PAPER CLIP. REMOVE ALL CHECK STUBS Amount Paid \$ _____

EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 48-7-57 provides that a taxpayer need not apply for a Georgia extension if he applies for and receives an automatic six (6) month extension of time to file his federal income tax return. The taxpayer must attach a copy of the extension granted by the Internal Revenue Service to his Georgia return. If the return is received within the time as extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will be incurred.

Failure to attach a copy of the federal extension will result in the return being considered late filed and penalties will be assessed!

If a federal extension was not requested but an extension is necessary for filing the Georgia return, please submit your request on Form IT-303.

If an extension is granted and if the tax is not paid by the statutory due date, late payment penalties will be assessed until the tax is paid. (Income tax-1/2 of 1% per month; net worth tax 10%.) Also, interest will be assessed at the rate of 12% per annum from the statutory due date until paid. The late payment penalties and interest will accrue from the statutory due date regardless of an extension. Georgia law prohibits the granting of an extension of over six months from the due date of the return.

Any payment made prior to the filing of a completed return must be accompanied by Form IT-560C and claimed on Schedule 3, Line 2. An extension of time does not alter the interest or penalty charge for late payment of tax.

NOTE: Check the "Extension" box on Form 600 if a Federal or Georgia extension was granted. Failure to check the extension box will result in the assessment of a late filing penalty.

TWO-DIMENSIONAL BARCODE RETURNS

Beginning with tax year 2001, the Department of Revenue began a method of processing tax returns containing a two-dimensional (2D) barcode. This method was implemented to assist with processing returns in a more accurate and timely manner. Returns with a 2D barcode process faster than regular paper returns and without data entry errors. A 2D barcode is similar to the one located on the back of your Georgia driver's license. Information from your return is captured into a machine-readable barcode rather than manually entered, which reduces the possibility of processing errors. The 2D barcode is only visible after your return has been printed.

Effective tax year 2003, 2D barcodes are available on corporate tax returns. Certain software companies produce tax programs that include a 2D barcode. Below is the list of companies who have been approved by the Department of Revenue to produce the Georgia Form 600 Corporate Tax Return with a 2D barcode.

Creative Solutions (UltraTax)- www.creativesolutions.com

Drake- www.drakesoftware.com

STF(Super Forms)- www.stf.com

NOTE: The Department of Revenue encourages the use of 2D barcode returns; however, we neither support nor recommend any software company.

MAILING ADDRESS

2D barcode returns are mailed to a different address from regular paper returns. If your software program produces a 2D barcode return, mail your return to:

Refunds

Georgia Income Tax Division
P.O. Box 740321
Atlanta, GA 30374-0321

Payments

Georgia Income Tax Division
P.O. Box 740322
Atlanta, GA 30374-0322

Failure to mail your return to the correct address may cause processing delays.

A 2D BARCODE 500 Individual Tax Form will have the following image in the upper-right corner of the return:

(The size of the 2D barcode may vary)



ANNUAL REGISTRATION WITH THE SECRETARY OF STATE

All Georgia corporations and foreign corporations that “qualify” to do business in Georgia must file an annual registration with the Secretary of State (SOS). Registration, and the \$30 fee, is due between January 1 and April 1. The SOS will send a notice to the corporation’s principal office address in early January. Foreign corporations (those formed in a state other than Georgia) should determine the need to obtain a Certificate of Authority by reviewing O.C.G.A. §14-2-1501. The statute can be viewed, and an application obtained, at www.georgiacorporations.org. Annual registration and certificate of authority obligations are separate from any Department of Revenue filings.

TAX EXEMPT ORGANIZATIONS

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Georgia Income Tax Division for a tax exempt determination letter. Organizations that received IRS determination letters after that date, as well as any organization desiring a Georgia income tax determination letter for any reason, must make application using Georgia Form 3605. A nonprofit corporate charter does not constitute exemption from income tax.

Each exempt organization must annually file a copy of the forms they file with the Internal Revenue Service, such as Federal Forms 990, 990-EZ, etc. The due date for filing the copy of the Federal return with Georgia is the same as the due date for filing with the Internal Revenue Service.

All correspondence related to exempt organizations should be mailed to: Georgia Income Tax Division, P. O. Box 740385, Atlanta, GA 30374-0385.

TELEPHONE ASSISTANCE

Centralized Taxpayer Registration Unit	404-417-4490
Compliance Division	404-417-6400
Corporation and Net Worth Tax Return Information	404-417-2427
Corporation Refund Inquiry	404-417-2427
Corporation Return Processing, Forms, Estimates and Prepayment of Tax	404-417-2469
Electronic Funds Transfer	404-417-2220 or 1-800-659-1855
Employee Withholding Information	404-417-2311
Estate and Tax Exempt Organization Information	404-417-2402
Income Tax Director’s Office	404-417-2400
Income Tax Forms	404-417-6011
Individual Income Tax Return Information	404-417-2300
Secretary of State	404-656-2817

TAX CREDITS

<u>Credit Type Code</u>	<u>Description</u>
101	Employer's Credit for Basic Skills Education. Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12th grade or classes to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. This credit should be claimed on Form IT-BE. For more information, refer to O.C.G.A. §48-7-41.
102	Employer's Credit for Approved Employee Retraining. The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to \$500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700. This credit should be claimed on Form IT-RC. For more information, refer to O.C.G.A. §48-7-40.5.
103	<p>Employer's Jobs Tax Credit. This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.</p> <p style="padding-left: 40px;">Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a \$3,500 tax credit.</p> <p style="padding-left: 40px;">Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a \$2,500 tax credit.</p> <p style="padding-left: 40px;">Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit.</p> <p style="padding-left: 40px;">Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit.</p> <p>Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30% of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county. Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also employers must make health insurance available to employees filling the new full-time jobs.</p> <p>Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. Credits are allowed for new full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. See the Job Tax Credit law and regulations for further information. This credit should be claimed on Form IT-CA. An additional \$500 per job is allowed for a business locating within a county that belongs to a Joint Development Authority. For more information, refer to O.C.G.A. §48-7-40 and 48-7-40.1</p>
104	Employer's Credit for Purchasing Child Care Property. Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the qualified property is placed in service, and the limitation on the use of the credit in any one year is 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on Form IT-CCC100. For more information, refer to O.C.G.A. §48-7-40.6.

TAX CREDITS (continued)

<u>Credit Type Code</u>	<u>Description</u>												
105	Employer's Credit for Providing or Sponsoring Child Care for Employees. Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on Form IT-CCC75. For more information, refer to O.C.G.A. §48-7-40.6.												
106	Manufacturer's Investment Tax Credit. Based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the optional investment tax credit but only one. Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 2 counties must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities. For more information, refer to O.C.G.A. §48-7-40.2, 40.3, and 40.4.												
107	Optional Investment Tax Credit. Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria: <table><tr><td>Designated Area</td><td>Minimum Investment</td><td>Percent Tax Credit</td></tr><tr><td>Tier 1</td><td>\$ 5 Million</td><td>10%</td></tr><tr><td>Tier 2</td><td>\$10 Million</td><td>8%</td></tr><tr><td>Tier 3 or Tier 4</td><td>\$20 Million</td><td>6%</td></tr></table> Taxpayers must apply (use Form OIT-APP) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts: <ol style="list-style-type: none">1. 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or2. The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year. For more information, refer to O.C.G.A. §48-7-40.7, 40.8, and 40.9.	Designated Area	Minimum Investment	Percent Tax Credit	Tier 1	\$ 5 Million	10%	Tier 2	\$10 Million	8%	Tier 3 or Tier 4	\$20 Million	6%
Designated Area	Minimum Investment	Percent Tax Credit											
Tier 1	\$ 5 Million	10%											
Tier 2	\$10 Million	8%											
Tier 3 or Tier 4	\$20 Million	6%											
108	Qualified Transportation Credit. This is a credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRS Code of 1986. For more information, refer to O.C.G.A. §48-7-29.3.												
109	Low Income Housing Credit. This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low-Income Housing Tax Credit that are placed in service on or after January 1, 2001. For more information, refer to O.C.G.A. §48-7-29.6.												
110	Diesel Particulate Emission Reduction Technology Equipment. This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. §48-7-40.19.												
111	Business Enterprise Vehicle Credit. This credit is for a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.												

TAX CREDITS (continued)

Credit Type Code	Description
112	<p>Research Tax Credit. A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.</p>
113	<p>Small Business Growth Tax Credit. A tax credit is granted for any business or headquarters or any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more. The credit shall be the excess over 20% of the percentage growth and shall not exceed 50% of the business' Georgia net income tax liability after all other credits have been applied. The credit is available to companies whose total tax liability does not exceed \$1.5 million. This credit should be claimed on Form IT-RG. For more information, refer to O.C.G.A. §48-7-40.13.</p>
114	<p>Headquarters Tax Credit. Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least fifty (50) headquarters jobs are created; and 2) within one year of the first hire, \$1 million is spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company or a subsidiary of the company. The credit is available for establishing jobs (full time jobs only). To qualify, jobs must pay a salary, which is a stated percentage above the county average wage in which it is located. Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to earn the credit in years one through five, however it has seven years in which to earn the credit. The credit is equal to \$2,500 annually per new full-time job or \$5,000 if the average wage of the new full-time jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. For more information, refer to O.C.G.A. §48-7-40.17.</p>
115	<p>Port Activity Tax Credit. Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that have increased their port traffic tonnage through Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The job tax and investment tax credits are as follows:</p> <p style="margin-left: 20px;">Tier 1 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 20px;">Tier 2 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 20px;">Tier 3 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 20px;">Tier 4 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p>

TAX CREDITS (continued)

<u>Credit Type Code</u>	<u>Description</u>
	Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. For more details about this credit, call the Tax Conference's Office at 404-417-2441. For more information, refer to O.C.G.A. §48-7-40.15.
116	Bank Tax Credit. All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.
117	Low Emission Vehicle Credit. This is a credit, of the lesser of 10% of the cost of the vehicle or \$2,500, for the purchase or lease of a new low emission vehicle. Also there is a credit for the conversion of a standard vehicle to a low emission vehicle which is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.
118	Zero Emission Vehicle Credit. This is a credit of the lesser of 20% of the cost of the vehicle or \$5,000, for the purchase or lease of a new zero emission vehicle. Also there is a credit for the conversion of a standard vehicle to a zero emission vehicle which is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A zero emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.
119	Cigarette Export Credit. This is a tax credit for the shipment of cigarettes manufactured anywhere in the United States to a foreign country. For more information refer to O.C.G.A. §48-7-40.20.
120	New Manufacturing Facilities Jobs Credit. In order to qualify, \$450 million in qualified investment property must be purchased for the project. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 3,300 jobs. After an affirmative review of their application by a panel, the manufacturer is rewarded with the new job tax credit. The credit is \$5,250 per job created. There is a 10-year carry forward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.24.
121	Electric Vehicle Charger Credit. This is a credit for a business enterprise for the purchase of an electric vehicle charger located in the State of Georgia. The credit allowed is the lesser of 10% of the cost of the charger or \$2,500. For more information, refer to O.C.G.A. §48-7-40.16.
122	New Manufacturing Facilities Property Credit. This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends \$800 million on a new manufacturing facility in this state. There is also the requirement that the number of full-time employees equal or exceed 1,800. However, these do not have to be new jobs to Georgia. An application is filed which a panel must approve. The benefit awarded to a manufacturer is a credit against taxes equal to 6 percent of the cost of all qualified investment property purchased or acquired. The total credit allowed is limited to \$50 million. The credit offsets any income tax and any excess is allowed as a credit to offset withholding taxes. There is a 15-year carry forward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.25.

FUTURE TAX CREDITS

For taxable years beginning on or after January 1, 2004, a nonrefundable credit not to exceed \$5,000 will be available for the certified rehabilitation of a certified structure or historic home. Standards set by the Department of Natural Resources must be met. For additional information, refer to O.C.G.A. §48-7-29.8.

For more details about credits and the latest forms, please visit our website at: www.gatax.org/departments/dor/inctax/taxcredits.shtml.

DOUBLE CHECK

- √ Please review your completed return.
- √ Did you use the label? If so, is all information on the label correct?
- √ If you did not use the label, are your corporate name, address, and Federal I.D. Number correctly shown on the return?
- √ Is the taxable year shown on your return?
- √ Did you receive an extension of time to file your return? If so, have you attached a copy of your extension? Did you check the extension box on Form 600?
- √ Have you attached a copy of your Federal Form 1120 and supporting schedules?
- √ If there is a tax due (on Schedule 3, Line 9), have you attached your remittance, payable to: Georgia Income Tax Division? (To ensure proper credit, put your Federal I.D. Number and the tax year ending on your remittance.)
PLEASE DO NOT MAIL YOUR RETURN AND CHECK SEPARATELY!
- √ If there is an overpayment (on Schedule 3, Line 6), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 3, Line 10)?
- √ Have you addressed your envelope properly? Do not send your Georgia Form 600 to the Internal Revenue Service.
- √ If you claimed Georgia Business credits, did you attach the required schedules or forms?

COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS

1. Incorrect addresses and Federal I.D. Numbers.
2. Failure to indicate proper taxable year ending.
3. Incomplete Georgia return making reference to attached schedules.
4. Incorrect consolidation of net worth tax for parent and subsidiary corporations.
5. Claiming prepayments remitted under another name, Federal I.D. Number, or taxable period without attaching a schedule of detailed information.
6. "S" corporations filing on Form 600. The correct form is the 600S.
7. Improper enclosure of Form IT-552 Application for Tentative Carry-back Adjustment. Form IT-552 should be attached to face of the Loss-Year return. Do not attach Form IT-552 to duplicate original return.
8. Failure to include BEST credit schedules and withholding Forms G2-A and G-2RP.

STATE OF GEORGIA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION
1800 CENTURY CENTER BLVD. NE
ATLANTA, GA 30345-3205

TO:
